

**Meeting of the  
Board of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia**

**December 11, 2001**

**DRAFT Minutes**

**Present:**

Alan Bigley, M.D.  
Daniel Brody  
Terone B. Green  
Steven Minter  
James T. Parmelee  
Denise K. Garner  
Karen Beauchamp  
Elmer Neil, M.D.  
H. Scott Seal

**Absent:**

Marc Wheat  
Joseph Green

**Staff:**

Eric Bell, Director  
Mack Brankley, Assistant Director of Operations  
Kathy Kotula, Director of Policy  
Leah Hamaker, Acting Director, Communications  
and Legislative Affairs  
Nancy Malczewski, Public Relations Specialist  
Cheryl Roberts, Director of Managed Care  
Paige Fitzgerald, Counsel for the Board  
Jeff Nelson, Policy Division  
Vicki Simmons, Policy Division  
Jack Quigley, Program Supervisor, Program  
Operations  
Stan Fields, Director of Cost Settlement and  
Reimbursement  
Jim Nogle, Transportation Contract Manager,  
Policy Division

**Guests:**

Karen S. Rheuban, M.D., University of Virginia  
Eugene Sullivan, University of Virginia  
Freda Smith, Logisticare  
Ray Blanco, DynCorp  
Transportation providers (See attached listing)

**Call to Order**

Mr. Steven Minter, Chairman of the Board called the meeting to order at 10:10 a.m.

**Chairman's Comments**

Mr. Minter welcomed everyone and gave the schedule for 2002 BMAS meetings. The meetings are scheduled for February 12, 2002, April 9, 2002, June 11, 2002 and October 8, 2002. Mr. Minter talked about committee assignments and said there were two committees the Policy Committee and the Legislative and Public Affairs Committee. He asked the Board to designate their preference for committee assignments. The Board also discussed the terms of the Board of Medical Assistance Services.

Each person in attendance introduced themselves.

### **Director's Comments**

Director Bell gave a brief overview of DMAS activities during 2001. Mr. Bell updated the Board on the Joint Legislative Audit and Review Commission report.

Mr. Minter thanked the Director for his comments. Mr. Minter told the members that DMAS had scheduled an orientation for new members or any member who would like to attend. Mr. Minter stated that if a member could not attend the orientation at this meeting, they could call Leah Hamaker to reschedule.

The Board requested that the order of the agenda be changed. Mr. Minter proceeded with the original order of the agenda.

### **Medallion II Expansion and FAMIS Implementation**

Mr. Minter introduced Cheryl Roberts, Director of Managed Care. Ms. Roberts stated that Family Access to Medical Insurance Security (FAMIS) and Medallion II health plans cover 103 localities. Ms. Roberts discussed some implementation challenges. These included delays in recipient and provider mailings, which lead to some confusion by the affected community. She also described some managed care accomplishments. These included modified federal waivers, state regulations and BOI regulations to support the program, recruitment of two new health plans for the programs (UniCare, and John Deere), and have increased MCO participation in the Commonwealth by 46%.

### **Trends in Pharmaceuticals**

Mr. Minter introduced Jack Quigley, Program Operations Division. Mr. Quigley discussed the recent trends in prescription drug utilization and expenditures. He stated that expenditures for drugs are increasing more rapidly than other health care expenditures. Overall, prescription drugs are approximately 10% of total national personal health care spending. Several forces and factors related to both price and utilization contribute to the trends. The average retail prescription price has grown at three times the rate of general inflation in recent years. Prescriptions for brand name drugs are more than triple those for generic drugs and increasing faster.

Mr. Quigley concluded by stating that three main components contribute to increasing expenditures: price, utilization, and product mix. Added pressures on expenditures should be expected as technology and higher consumer expectations continue. Major policy proposals should include measures aimed at ensuring appropriate drug use.

The Board discussed policies concerning generic drugs v. brand named drugs. The board members voted on Policy Option II.

**Mr. Minter motioned to recommend to DMAS to study the financial affects of a two -tiered co-payment system on state pharmacies based on geographical differences and Medicaid recipient utilization. The vote was 8-yes (Bigley, Minter, Green, Parmelee, Beauchamp, Garner, Neil, Seal, 2-Absent).**

### **Telemedicine Program at University of Virginia**

Mr. Minter introduced Dr. Karen S. Rheuban of the University of Virginia. Dr. Rheuban discussed telemedicine health care applications. These included videoconferencing for patient care, transmission of patient information and distance learning. She discussed the benefits that telemedicine can have for patients, communities, health professionals and the health system. Dr. Rheuban discussed the Office of Telemedicine specialty participants. They include such specialties as infectious disease, plastic surgery and cardiology. Dr. Rheuban discussed telemedicine issues which included reimbursement, confidentiality, licensure, malpractice, and telecommunications venue/costs. The Board discussed how to start the process of helping the telemedicine program at the University of Virginia.

### **Inter-Governmental Transfers**

Mr. Minter introduced Eric Bell, Director. Mr. Bell gave a brief overview of the Medicaid program. He stated that over 625,000 individuals are covered in Virginia. He described how Virginia Medicaid is funded. He stated that the federal government and the state general fund gives Virginia Medicaid money. Virginia Medicaid funds hospitals, nursing homes, pharmacies, doctors, dentists, mental health, and HMOs. Mr. Bell discussed Intergovernmental Transfers (IGTs). Mr. Bell stated Virginia's participation will not negatively impact any other federal Medicaid programs.

### **Transportation Issues**

Mr. Minter introduced Jim Nogle, Policy Division. Mr. Nogle gave some background on transportation services and the changes that were implemented. He discussed the brokerage contract requirements with LogistiCare and DynCorp. These requirements included scheduling and assigning trips, operating telephone call centers, recruiting and maintaining an adequate transportation provider network, assuring compliance with driver and vehicle requirements, developing and implementing a monitoring plan, providing reimbursement for non-emergency transportation services, coordinating program with DMAS and community service providers, providing administrative oversight, submitting management reports, and protecting recipient confidentiality.

Mr. Nogle discussed some contractual issues with DynCorp and the measures that DynCorp has instituted to solve these issues. He stated that the transportation brokers are handling an average of 2,500 telephone requests for non-emergency transportation per day and an average of 13,500 non-emergency transports per day.

Mr. Nogle discussed activities involving the Medicaid Fraud Control Unit (MFCU). Since the summer of 2001, 31 transportation companies have been investigated. Many of them have already pleaded guilty and are awaiting sentencing and a few have already been indicted and trials are pending. Several cases were investigated and prosecuted in the Richmond and Arlington areas that involved more than \$1 million in fraudulent billing.

**New Business**

Board member Terone Green asked that the agenda be amended to allow public comments. He stated that 10-15 minutes of public comment should be added to the beginning of each agenda. Dr. Bigley and Ms. Garner were concerned, stating that 10-15 minutes was not enough time.

**Vice Chairman, Mr. Parmelee motioned to amend the agenda to allow 10-15 minutes for public comment. The vote was 6-yes, Parmelee, Green, Beauchamp, Neil, Seal, Brody, 2-oppose, Garner, Bigley, 3- absent)**

Mr. Green acknowledged Mr. Bell for performing exceptionally as the Director of DMAS.

**Vice Chairman, Mr. Parmelee motioned to write a letter to the Secretary on behalf of Mr. Bell. The vote was 8-yes, Parmelee, Green, Beauchamp, Brody, Bigley, Neil, Seal, Garner)**

**Adjournment:**

The meeting was adjourned. The next meeting is scheduled to be held on February 12, 2002.

**Post Meeting Discussions:**

Transportation brokers Freda Smith of Logisticare and Ray Blanco of DynCorp answered questions raised by the transportation providers.